



University of Victoria

Course Syllabus

Department of Economics

ECON 403: Agricultural Economics & Policy

(CRN: 21033)

Instructor:

Dr. G. C. van Kooten

Office: BEC 372

Office hours: Wednesday 3:15-4:45 pm; or by arrangement

Location and Time:

DSB C126

Tues/Wed/Fri: 1:30 – 2:20

Course website: <http://www.vkooten.net/> ('Courses' tab, then 'Agriculture' tab)

Pre-requisites: ECON 313 or permission of the Department

Course Description: This advanced course uses applied welfare economic analysis as a lens for understanding agricultural policy. The theoretical framework allows policy analysts to assess the efficiency and distributional impacts of policy, thereby providing insights into the rent-seeking incentives and other forces behind agricultural policy formation. After some introduction, we will apply these tools to the farm policy and agricultural regulation environment, examining in particular U.S., Canadian and EU agricultural policies.

Learning outcomes: Students successfully completing the course will be able to describe the principal agricultural policies used in developed countries and the economic forces behind their creation. Students will be able to use principles of applied welfare economics and other analytical tools to illustrate the economic effects of agricultural policy. Finally, students should have a better understanding of how to provide a systematic written analysis of agricultural policy consistent with the standards for journal publication.

Course Format: The course will be taught in a combined lecture and seminar format. Students will be required to participate in the discussion. A major component of the course will be writing a paper or developing a poster that analyzes some aspect of agricultural economics. *Homework will also be assigned but not graded; homework questions might appear on examinations.*

Grading:	Term work [#]	15%	
	Term paper [†]	25%	
	Midterm exam [*]	20%	(TBA: 50 minutes)
	Final exam ^{**}	40%	

[#] Unannounced quizzes based on homework assignments: only grades on the best 5 of 6 quizzes will be used.

[†] Students have a choice to work on a team (maximum 3 people) to produce a poster, or to write a paper (12-page maximum including all figures, tables and references; double-spaced; Times New Roman 12pt font; 1.5 inch borders) on an agricultural economics and policy topic.

Potential topics include:

- Global food security
- Food safety (food contamination, livestock diseases)
- Agricultural productivity and R&D Policy
- Economics of zero tillage
- Agricultural land use
- Agriculture & economic development
- Environmental payments
- Biofuels
- Genetically modified organisms
- Climate change
- Decoupling and land markets
- Horticultural crops (100-mile diet)
- Protection of agricultural land

^{*} For students with an excused absence (with appropriate documentation discussed below), provision will be made for a makeup exam. Students who miss the scheduled makeup exam must provide a medical note or else they will be assigned a grade of zero for that item. Alternatively, the value of the midterm exam will be shifted to the final exam.

^{**} Students MUST pass the final examination in order to pass the course.

Grading Scheme: The University's undergraduate grading scale with numerical score/letter grade equivalency, and descriptions can be found at the following: [University Grading Schedule](#)

TEXTBOOKS:

van Kooten, G. Cornelis, 2019. [Applied Economics, Trade and Agricultural Policy Analysis](#). Available on line through the course website. This is a living document so be sure to look for the latest version. A guide to further readings is found at the end of each chapter as are possible quiz and examination questions.

Schmitz, Andrew, Charles Moss, Troy R. Schmitz, G. Cornelis van Kooten and Carole Schmitz, 2019. *Agricultural Policy, Agribusiness and Rent Seeking Behavior*, 3rd edition, University of Toronto Press. Relevant chapters will be made available on-line as needed.

You can also browse the historical agricultural literature ([link](#)).

TENTATIVE COURSE OUTLINE

1. Introduction: What is agricultural policy?

van Kooten (2019) Chapter 1.

2. Welfare Economics Background

- Welfare Economics

van Kooten, 2019. Chapter 2. Students may want to read selections from Chapters 3 and 4 depending on their previous exposure to the determination of interest rates and familiarity with the valuation of non-market commodities and services.

- The Role of Institutions and Rent Seeking

See van Kooten (2019), Chapter 5. Additional readings of interest:

- New Institutional Economics ([pdf](#))

3. Theoretical Considerations: International Trade and Applied Welfare Economics

van Kooten (2019) Chapter 4.

4. Theoretical Considerations: Analysis of Agricultural Policy

van Kooten (2019) Chapter 6.

5. Stabilization policies in various regions: Agricultural price and income supports

- United States farm policy

van Kooten (2019) Chapter 7; Vincent Smith [U.S. Agricultural Policy beyond 2018](#).

- Canadian agricultural policy

van Kooten (2019) Chapter 7; Schmitz et al. (2019) [Canada chapter](#)

- European farm programs

van Kooten (2019) Chapter 8; Schmitz et al. (2019) [EU chapter](#)

6. Agricultural Risk Management

- Farm management and linear programming
 - Net returns vs utility: EV analysis
 - Positive mathematical programming
- Crop insurance
- Financial instruments
 - Future contracts
 - Weather derivatives

van Kooten (2019) Chapter 9.

Annex 7 (U.S.) and Annex 8 (Canada) in [Study on Risk Management in EU Agriculture](#). October. Brussels: European Commission.

7. Agriculture and Climate Change

van Kooten (2019) Chapter 10.

Schmitz et al. (2019) [Climate chapter](#)

NOTES:

Students are required to learn elementary R in order to solve some of the problems that ask them to identify areas under supply and demand functions. While Excel is an alternative, students will be exposed to R because of its flexibility and use within government.

Some guest lectures in the area of programming and agricultural risk management will be given by PhD students.

NOTES REGARDING COURSE POLICIES

Students need to consult on the University Calendar's and the Department's regulations for information pertaining to academic integrity (plagiarism and cheating), attendance, term assignments and debarment from exams, grading, late assignments, academic concessions, travel plans, students with a disability, and policy related on inclusivity and diversity. See: <http://www.uvic.ca/socialsciences/economics/undergraduate/home/courses/course-policies.php>. MAKE SURE YOU ARE FAMILIAR WITH THESE COURSE POLICIES.

Some of these requirements and additional ones are highlighted below.

Policies on Academic Integrity and Plagiarism: Students are expected to observe the same standards of scholarly integrity as their academic and professional counterparts. Students found to have engaged in unethical academic behavior are subject to penalty by the University. To learn about plagiarism, see the above website and click on "Academic Integrity". Note that plagiarism detection software may be used.

Cheating on Work, Tests and Examinations Cheating includes, but is not limited to:

- copying the answers or other work of another person
- sharing information or answers when doing take-home assignments, tests or examinations except where the instructor has authorized collaborative work
- having in an examination or test any materials or equipment other than those authorized by the examiners
- accessing unauthorized information when doing take-home assignments, tests or examinations
- impersonating a student on an examination or test, or being assigned the results of such impersonation
- accessing or attempting to access examinations or tests before it is permitted to do so

Students found communicating with one another in any way or having unauthorized books, papers, notes or electronic devices in their possession during a test or examination will be considered to be in violation of this policy. (See also "Academic Integrity" at above website.)

University Policy on Examinations and Work and Travel Arrangements: Students are required to ensure that work plans do not conflict with examinations. There will be no special accommodation if work plans conflict with examinations. Students are advised not to make travel plans until after the examination timetable has been finalized. Students who wish to finalize their travel plans at an earlier date should book flights for after the end of the examination period (see above website under "Academic concession"). There will be no special accommodation if travel plans conflict with exams (see above website under "Travel plans").

Policy on Use of Email: I cannot respond to emails because of Canada Research Chair commitments. Questions on course material should be asked during office hours or in class. If there is critical matter, such as inability to attend class, an exam or prolonged illness, please contact my assistant Mrs. Linda Voss at repa@uvic.ca, making sure to include the course name and number and the issue in the subject line. The standard format for writing a letter must be used in any such email correspondence. This means it should start off with a salutation (e.g. Dear...), include full sentences and conclude with a signature that includes your name (e.g.

“Sincerely, *your full name*). Use of ‘hey’ as a salutation and text message lingo is NOT acceptable.

Course Experience Survey (CES): I value your feedback on this course. Towards the end of term you will have the opportunity to complete a confidential course experience survey (CES) regarding your learning experience. The survey is vital to providing feedback regarding the course and my teaching, as well as to help the department improve the overall program for students in the future. When it is time for you to complete the survey, you will receive an email inviting you to do so. If you do not receive an email invitation, you can go directly to <http://ces.uvic.ca>. You will need to use your UVic NetLink ID to access the survey, which can be done on your laptop, tablet or mobile device. I will remind you nearer the time, but please be thinking about this important activity, especially the following three questions, during the course.

1. What strengths did your **instructor** demonstrate that helped you learn in this course?
2. Please provide specific suggestions as to how the **instructor** could have helped you learn more effectively.
3. Please provide specific suggestions as to how this **course** could be improved.

Attendance: University attendance policy states: “Students are expected to attend all classes in which they are enrolled. ... An instructor may refuse a student admission to a lecture or laboratory because of lateness, misconduct, inattention or failure to meet the responsibilities of the course. Students who neglect their academic work, including assignments, may be refused permission to write the final examination in a course. Instructors must inform students at the beginning of term, in writing, of the minimum attendance required at lectures ... in order to qualify to write examinations.” (See above website under “Attendance”). **Students who miss more than three lectures could be disbarred from writing the final examination.**

I will not take attendance but use unannounced quizzes to track attendance. **If you are absent from a quiz or examination for medical reasons, it is your responsibility to have the doctor complete the [attached medical form](#).** Failure to do so will mean a grade of zero for that item.

Electronic Devices: All electronic devices not used to take notes must be handed in prior to class or kept in your backpack. Any student found using phones, messaging, etc. during class will be given a warning. Upon the second occurrence, the student will be required to write a second term paper as this constitutes inattention; the term paper will cover the material missed due to inattention and will be marked as a regular term assignment and included as part of the term paper grade.